

TAX CUTS FOR THE RICH

Bush budget violates all the rules

● The Democrats' plan would help more people and do it sooner.

By TOM ALLEN

The federal budget should be fiscally responsible, meet our most pressing needs and reflect our values as a people. On Monday, President Bush presented Congress with a proposed budget for fiscal year 2004 that violates all these cardinal rules.

When President Bush took office, our nation looked forward to a \$5.6 trillion budget surplus over 10 years. Despite his State of the Union pledge last month that "we will not pass along our problems to other Congresses, to other presidents, and other generations," the president's budget envisions a \$2.1 trillion deficit over the same period.

MAINE VOICES

His tax cuts for the wealthy are the primary cause of the crushing debts we will bequeath to our children and grandchildren, crushing debts that will dissipate the Social Security Trust Fund and make it nearly impossible to tackle costly problems like providing prescription drug coverage under Medicare.

Going into debt in the short term to jump start the economy would be worth it. But these tax cuts won't work. In the six months between the first tax cut package and Sept. 11, 2001, the economy shed half a million jobs. That total now stands at more than 2.4 million fewer jobs.

Nevertheless, the president's budget contains a new round of tax cuts, again designed to help the wealthy. Making stock dividends tax free, for example, would give people in the top 1 percent — those who earn over

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\$300,000 — more tax relief than the bottom 95 percent of taxpayers combined.

Putting more money in the hands of middle and lower income taxpayers (who will spend it immediately) would be a more powerful economic stimulus. The Democratic plan would do that. It is projected to create almost 1 million jobs the first year, at a cost of \$100 billion over 10 years, whereas the administration calculates its plan would cost \$674 billion over 10 years and create only 197,000 jobs in the first year.

In addition, under the president's budget, any relief that most taxpayers obtain from the federal government is illusory. What little they may gain will be more than offset by the huge cuts in services or tax increases that state and local governments, facing staggering budget gaps, are already implementing.

ONCE PUBLIC schools start closing early, state troopers are laid off, public college fees are hiked or higher property tax bills are mailed, this will become clear. This is tax shifting, not tax cutting. By contrast, the Democratic plan would provide \$30 billion in direct aid to struggling state and local governments.

The president's budget also shortchanges critical priorities, including those he has touted. Homeland security would be allocated less than 1 percent more than 2003, almost certainly a cut in purchasing power.

Moreover, if history is any guide, even if these programs are fully funded, much of the money may be withheld. (Last year, for example, the

Coast Guard estimated the cost of port security at nearly a billion dollars a year; only \$250 million was sought and appropriated, and just \$93 million was actually released.)

Likewise, only a few education programs would get increased funding. Teacher training, after school programs, education technology and Perkins loans are all cut back. Even the budget for the president's initiative, the No Child Left Behind Act, is budgeted \$9 billion below the amount authorized. The same story of cutbacks holds for health care, highway construction, state and local law enforcement, NASA and Community Development Block Grants.

FINALLY, THE president's budget is not just about numbers. Its priorities speak volumes about our values. If Americans are listening, they won't like what they hear.

Do we care so little about our fellow citizens that we give a trillion dollars in tax relief to the rich, yet force the most vulnerable in our country to choose between life-saving medicines and food? Or that we close the doors to veterans seeking the health care they were promised? Or that in a winter of bitter cold, we slash home heating assistance to low income people?

What does it say about us that among modern industrialized states, we are among the worst when it comes to environmental protection, infant mortality, life expectancy, educational attainment and a host of other measurements of mutual support?

I believe the American people are better than these choices imply. We have a history and tradition not only of self-reliance, but of compassion, empathy and support for our wider communities. It's time that those values influenced our budget and our political agenda.

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